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AMENDED IN SENATE APRIL 1, 2002

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AMENDED IN ASSEMBLY APRIL 25, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1058

Introduced by Assembly Member Pavley

(Principal coauthor: Assembly Member Simitian)

(Coauthors: Assembly Members Aroner, Chu, Cohn, Firebaugh, Frommer, Kehoe, Koretz, Jackson, Longville, Nation, Shelley, and Strom-Martin) *Frommer, Jackson, Koretz, Nation, and Shelley)*

(Coauthors: Senators Escutia, Kuehl, Perata, and Romero)

February 23, 2001

An act to ~~add Section 43018.5 to~~ *amend Section 42823 of, and to add Section 43018.5 to,* the Health and Safety Code, relating to air quality.

LEGISLATIVE COUNSEL'S DIGEST

AB 1058, as amended, Pavley. Vehicular emissions: greenhouse gases.

Existing law requires the State Air Resources Board to endeavor to achieve the maximum degree of emission reduction possible from vehicular and other mobile sources in order to accomplish the attainment of the state standards at the earliest practicable date.

This bill would require the state board to develop and adopt, by January 1, 2005, regulations that achieve the maximum feasible

reduction of greenhouse gasses emitted by passenger vehicles and light-duty trucks in the state, but would prohibit those regulations from taking effect prior to January 1, 2006.

The bill would require the regulations to provide flexibility, to the maximum extent feasible, in the means by which a person may comply with those regulations, *including, but not limited to, authorization for a person to use alternative methods of compliance with the regulations. The bill would require the state board to ensure that any alternative methods of compliance achieve equivalent or greater reductions in emissions of greenhouse gases as the regulations.* The bill would also require the state board to conduct public hearings regarding the regulations in specified communities with the most significant exposure to air-pollution contaminants. The bill would also require the state board to ~~provide grant~~ emission reduction credits for ~~actions taken to reduce emissions~~ reductions of greenhouse gases gas emissions prior to the ~~implementation~~ operative date of the regulations. The bill would require the California Climate Action Registry, in consultation with the state board, to adopt procedures, ~~not later than July 1, 2003,~~ and protocols for the reporting and certification of reductions in greenhouse gas emissions from mobile sources *for use by the state board in granting the emission reduction credits.* The bill would authorize the state board to elect not to adopt a standard for a greenhouse gas, if the state board determines that the federal government has adopted a standard regulating that greenhouse gas, and the state board makes specified findings related to the similarity of the federal standard. The bill would also require the state board, by January 1, 2005, to provide a report to the Legislature on the contents of those regulations.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature hereby finds and declares all of
- 2 the following:
- 3 (a) Global warming is a matter of increasing concern for public
- 4 health and the environment in the state.
- 5 (b) California is the fifth largest economy in the world.
- 6 (c) The control and reduction of emissions of greenhouse gases
- 7 are critical to slow the effects of global warming.

(d) Global warming would impose on California, in particular, compelling and extraordinary impacts including:

(1) Potential reductions in the state's water supply due to changes in the snowpack levels in the Sierra Nevada Mountains and the timing of spring runoff.

(2) Adverse health impacts from increases in air pollution that would be caused by higher temperatures.

(3) Adverse impacts upon agriculture and food production caused by projected changes in the amount and consistency of water supplies and significant increases in pestilence outbreaks.

(4) Projected doubling of catastrophic wildfires due to faster and more intense burning associated with drying vegetation.

(5) Potential damage to the state's extensive coastline and ocean ecosystems due to the increase in storms and significant rise in sea level.

(6) Significant impacts to consumers, businesses, and the economy of the state due to increased costs of food and water, energy, insurance, and additional environmental losses and demands upon the public health infrastructure.

(e) Passenger vehicles and light-duty trucks are responsible for approximately 40 percent of the total greenhouse gas pollution in the state.

(f) California has a long history of being the first in the nation to take action to protect public health and the environment, and the federal government has permitted the state to take those actions.

(g) *It is the intent of the Legislature to require the State Air Resources Board to adopt regulations that ensure reductions in emissions of greenhouse gases in furtherance of the purposes of Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code.*

SEC. 2. *Section 42823 of the Health and Safety Code is amended to read:*

42823. The registry shall perform all of the following functions:

(a) Provide participants with referrals to approved providers for technical assistance and advice, upon the request of a participant, on any or all of the following:

(1) Designing programs to establish greenhouse gas emissions baselines and to monitor, estimate, calculate, report, and certify greenhouse gas emissions.

1 (2) Establishing emissions reduction goals based on
2 international or federal best practices for specific industries and
3 economic sectors.

4 (3) Designing and implementing organization-specific plans
5 that improve energy efficiency or utilize renewable energy, or
6 both, and that are capable of achieving emission reduction targets.

7 (b) In coordination with the State Energy Resources
8 Conservation and Development Commission, the registry shall
9 adopt and periodically update a list of organizations recognized by
10 the state as qualified to provide the detailed technical assistance
11 and advice in subdivision (a) and assist participants in identifying
12 and selecting providers that have expertise applicable to each
13 participant's circumstances.

14 (c) Adopt procedures and protocols for certification of reported
15 baseline emissions and emissions results. When adopting
16 procedures and protocols for the certification, the registry shall
17 consider the availability and suitability of simplified techniques
18 and tools.

19 (d) Qualify third-party organizations that have the capability to
20 certify reported baseline emissions and emissions results, and that
21 are capable of certifying the participant-reported results as
22 provided in this chapter.

23 (e) Adopt procedures and protocols, including a uniform
24 format for reporting emissions baselines and emissions results to
25 facilitate their recognition in any future regulatory regime.

26 (f) Maintain a record of all certified greenhouse gas emissions
27 baselines and emissions results. Separate records shall be kept for
28 direct and indirect emissions results. The public shall have access
29 to this record, except for any portions of a participant's emissions
30 results that a participant may deem confidential.

31 (g) Encourage organizations from various sectors of the state's
32 economy, and those from various geographic regions of the state,
33 to report emissions, establish baselines and reduction targets, and
34 implement efficiency improvement and renewable energy
35 programs to achieve those targets.

36 (h) Recognize, publicize, and promote participants.

37 (i) In coordination with the State Energy Resources
38 Conservation and Development Commission and the State Air
39 Resources Board, adopt industry-specific reporting metrics at one
40 or more public meetings.

1 (j) *In consultation with the state board, adopt procedures and*
2 *protocols for the reporting and certification of reductions in*
3 *emissions of greenhouse gases, to the extent permitted by state and*
4 *federal law, for those reductions achieved prior to the operative*
5 *date of the regulations described in subdivision (a) of Section*
6 *43018.5.*

7 SEC. 3. Section 43018.5 is added to the Health and Safety
8 Code, to read:

9 43018.5. (a) No later than January 1, 2005, the state board
10 shall develop and adopt regulations that achieve the maximum
11 feasible and cost-effective reduction of greenhouse gas emissions
12 from ~~passenger vehicles, light-duty trucks, and any other vehicle~~
13 ~~type whose primary use or purpose is noncommercial personal~~
14 ~~transportation, as determined by the state board.~~ *motor vehicles.*

15 (b) The regulations adopted pursuant to subdivision (a) may
16 not take effect prior to January 1, 2006, and shall apply only to a
17 *motor vehicle* manufactured in the 2008 model year, or any model
18 year thereafter.

19 (c) In developing the regulations described in subdivision (a),
20 the state board shall do all of the following:

21 (1) Consider the technological feasibility of the regulations.

22 (2) Consider the impact the regulations may have on the
23 economy of the state, including but not limited to, all of the
24 following areas:

25 (A) The creation of jobs within the state.

26 (B) The creation of new businesses or the elimination of
27 existing businesses within the state.

28 (C) The expansion of businesses currently doing business
29 within the state.

30 (D) The ability of businesses in the state to compete with
31 businesses in other states.

32 (E) *The ability of the state to maintain and attract businesses*
33 *in communities with the most significant exposure to air*
34 *contaminants, localized air contaminants, or both, including, but*
35 *not limited to, communities with minority populations,*
36 *low-income populations, or both.*

37 ~~(3) (A) Provide flexibility, to the maximum extent feasible, in~~
38 ~~the means by which a person subject to the regulations adopted~~
39 ~~pursuant to subdivision (a) may comply with those regulations,~~
40 ~~including, but not limited to, the ability to utilize alternative~~

~~1 methods of compliance for all or a part of the manufacturer's~~
~~2 regulatory obligation, if the state board determines that the~~
~~3 alternative method of compliance achieves equivalent or better~~
~~4 reduction in the emissions of greenhouse gases as the fleet average~~
~~5 emission standard contained in the regulations adopted pursuant~~
~~6 to subdivision (a).~~

~~7 (B) In providing compliance flexibility pursuant to this~~
~~8 subdivision, the state board may not impose mandatory trip~~
~~9 reduction measures or land use restrictions.~~

10 (3) Provide flexibility, to the maximum extent feasible
11 consistent with this section, in the means by which a person subject
12 to the regulations adopted pursuant to subdivision (a) may comply
13 with the regulations. That flexibility shall include, but is not
14 limited to, authorization for a person to use alternative methods of
15 compliance with the regulations. In complying with this
16 paragraph, the state board shall ensure that any alternative
17 methods for compliance achieve the equivalent, or greater,
18 reduction in emissions of greenhouse gases as the emission
19 standards contained in the regulations.

20 (4) Conduct public hearings in the state, including, but not
21 limited to, public hearings in three of the communities in the state
22 with the most significant exposure to air contaminants or localized
23 air contaminants, or both, including, but not limited to,
24 communities with minority populations, or low-income
25 populations, or both.

~~26 (5) Provide emission reduction credits for actions taken to~~
~~27 reduce the emission of greenhouse gases from motor vehicles prior~~
~~28 to the implementation of the regulations adopted pursuant to~~
~~29 subdivision (a). The credits shall be approved by the state board~~
~~30 and recorded with the California Climate Action Registry.~~

31 (5) (A) Grant emissions reductions credits for any reductions
32 in greenhouse gas emissions from motor vehicles that were
33 achieved prior to the operative date of the regulations adopted
34 pursuant to subdivision (a), to the extent permitted by state and
35 federal law governing emissions reductions credits, by utilizing the
36 procedures and protocols adopted by the California Climate
37 Action Registry pursuant to subdivision (j) of Section 42823.

38 (6) Coordinate with the State Energy Resources Conservation
39 and Development Commission, the California Climate Action
40 Registry, and the interagency task force, convened pursuant to

subdivision (e) of Section 25730 of the Public Resources Code, in implementing this section.

(d) The regulations adopted by the state board pursuant to subdivision (a) may not ban the sale of any vehicle category in the state, specifically including, but not limited to, sport utility vehicles and light-duty trucks.

(e) Not later than July 1, 2003, the California Climate Action Registry, in consultation with the state board, shall adopt procedures for the reporting of reductions in greenhouse gas emissions from mobile sources to the registry.

(f) For the purposes of this section, “greenhouse gases” shall mean those gases listed in subdivision (g) of Section 42801.1.

(g) By January 1, 2005, the state board shall report to the Legislature and the Governor on the content of the regulations developed and adopted pursuant to this section, including, but not limited to, the specific actions taken by the state board to comply with paragraphs (1) to (6), inclusive, of subdivision (c), and with ~~subdivision (e). This report shall include an analysis of the net economic and health impacts of those actions on the state.~~ subdivision (e). The report shall include, but shall not be limited to, an analysis of both of the following:

(1) *The impact of the regulations on communities in the state with the most significant exposure to air contaminants or toxic air contaminants, or both, including, but not limited to, communities with minority populations, low-income populations, or both.*

(2) *The economic and public health impacts of those actions on the state.*

(h) If the federal government adopts a standard regulating a greenhouse gas from new motor vehicles that the state board determines is in a substantially similar timeframe, and of equivalent or greater effectiveness as the regulations that would be adopted pursuant to this section, the state board may elect not to adopt a standard on any greenhouse gas included in the federal standard.

(i) *For the purposes of this section, the following terms have the following meanings:*

(1) *“Maximum feasible and cost-effective reductions of greenhouse gas emissions” means the greenhouse gas emission reductions that the state board determines meet both of the following criteria:*

1 (A) *Capable of being successfully accomplished within a*
2 *reasonable period of time, taking into account environmental,*
3 *economic, social, and technological factors.*

4 (B) *Economical to an owner or operator of a vehicle, taking*
5 *into account the full life-cycle costs of a vehicle.*

6 (2) *“Motor vehicle” means a passenger vehicle, light-duty*
7 *truck, or any other vehicle determined by the state board to be a*
8 *vehicle whose primary use is noncommercial personal*
9 *transportation.*

